



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

Certified Mail

January 23, 2017

Ms. Julie Reddick
[REDACTED]

Dear Ms. Reddick:

FREEDOM OF INFORMATION ACT REQUEST (FOI 2017-00294)

This letter is in response to the electronic *Freedom of Information Act* (FOIA) request you submitted to this office seeking a copy of a letter titled, "Contract No. DE-AC27-01RV14136 – U.S. Department of Energy Definitive Guidance For Standard Of Performance for Certain Topics And Issues" including any attachments.

Enclosed is a copy of the requested letter reissued on January 12, 2017. This letter was reissued to remove the Official Use Only markings.

For the purposes of assessment of any fees, we have determined that your request falls within Section 1004.9(b)(4), ("all other requestors") of our FOIA regulations.

See 10 C.F.R.1004.9(b)(4). You are thus entitled to two (2) free hours of search time and 100 pages of duplication at no cost. However, as costs associated with your request fell under two (2) hours and 100 pages, there will be no fees associated with your request at this time.

You may contact the U.S. Department of Energy, Richland Operations Office's FOIA Public Liaison, Richard Buel, at (509) 376-3375, or by mail at P.O. Box 550, Richland, Washington, 99352 for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Should you have any questions regarding your request, please contact me at (509) 376-6288.

Sincerely,

-Original Signed By-

Dorothy Riehle
Freedom of Information Act Officer
Office of Communications
and External Affairs

OCE:DCR

Enclosure



OFFICE OF RIVER PROTECTION

P.O. Box 450, MSIN H6-60
Richland, Washington 99352

JAN 12 2017

16-CPM-0165
REISSUED*

Ms. L.W. Baker, Business Services Manager
Bechtel National, Inc.
2435 Stevens Center Place
Richland, Washington 99354

Ms. Baker:

CONTRACT NO. DE-AC27-01RV14136 – U.S. DEPARTMENT OF ENERGY DEFINITIVE GUIDANCE FOR STANDARD OF PERFORMANCE FOR CERTAIN TOPICS AND ISSUES

This letter provides the U.S. Department of Energy (DOE), Office of River Protection (ORP) definitive guidance for the standard of performance expected of Bechtel National, Inc. (BNI) and its subcontractors and suppliers under the referenced contract for items 1 through 7 below.

BNI (further referred to as "Contractor") has represented the various processes and systems described in this letter as being extant and functional at the time of this letter. Based on these representations, staff from both BNI and ORP have extensively discussed the standards of performance in detail and have reached agreement that the standards of performance as described below provide definitive guidance for BNI and its subcontractors and suppliers for execution of the Waste Treatment and Immobilization Plant (WTP) contract.

Therefore, it is my expectation that BNI shall execute the WTP contract according to the standards of performance in this letter.

1. Contractor Procedures for Providing Reasonable Quality Assurance

The Contractor implements contract quality assurance requirements through Contractor's procedures and systems which prescribe a multi-barrier process that is intended to reasonably detect and correct nonconforming work (services, materials, equipment) during the course of performance of the work, to satisfy the requirements of the contract. These multiple barriers provide reasonable assurance that nonconforming work should be identified. While the Contractor will make best efforts to ensure the barriers' effectiveness, the barriers do not

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Name/Org.: Michael D. O'Hagan/OCC Date: 1/6/17

JAN 12 2017

provide absolute assurance of conforming work. However, if nonconforming work is identified, it will be corrected or dispositioned through the Contractor's procedures and systems, and the reasonable cost of any correction, including the cost of re-performance, rework, or replacement, is allowable cost subject to the Allowable Cost and Payment clause and the Federal Acquisition Regulation (FAR) cost principles.

2. Subcontractor and Supplier Quality

- a. The standard of performance for the Contractor to accept materials, equipment, and services from subcontractors and suppliers under the Contract is for such acceptance to be performed in accordance with the requirements of the Contractor's DOE approved Quality Assurance Manual and the approved Purchasing System in effect. The Purchasing System includes processes to address 1) subcontractor and supplier qualification, 2) definition of requirements and flow down of requirements to subcontractors and suppliers, 3) confirmation that requirements are understood and executed, and 4) review of subcontractor and supplier performance satisfying the requirements. The quality procedures provide processes designed to identify and correct deficiencies in performance by the Contractor and/or by subcontractors and suppliers, including at their facilities prior to shipment, receipt inspection, up to and including field installation inspections, construction turn-over inspections, start-up testing and commissioning, and operations, per the Contract.
- b. The level of in-process reviews and oversight is based on the Contractor's evaluation of the subcontractors and suppliers, their past performance, and the complexity and quality level of the procured items and services.
- c. Deficiencies in materials or services identified during Contract performance, including any deficiencies identified during procurement, construction, acceptance testing, and startup and commissioning testing shall be addressed as described above in paragraph 1.

3. Commercial Grade Dedication

The standard of performance under the Contract and applicable provisions of NQA-1 for Contractor performance of commercial grade dedication (CGD) and for requiring subcontractors' and suppliers' performance of CGD consists of performance in accordance with the requirements of the Contractor's DOE approved Quality Assurance Manual and through implementation of the Contractor's CGD procedures in effect during the period of performance.

4. Equipment Qualification Design

- a. The standard of performance under the Contract for seismic qualification consists of completing equipment seismic qualification for Safety Significant and Safety Class equipment, prior to commissioning (when the components will be depended upon to perform their safety function[s]), in accordance with Institute of Electrical and Electronics Engineers (IEEE) Standard 344-1987, IEEE Recommended Practice for Seismic Qualification of Class 1E Equipment for Nuclear Power Generating Stations, and DOE-STD-1020-94, Natural Phenomena Hazards Design and Evaluation Criteria for Department of Energy Facilities, as tailored for WTP application in revision 8 to the Safety Requirements Document.
- b. The standard of performance under the Contract for environmental qualification consists of completing equipment environmental qualification for Electrical Safety Significant and Safety Class equipment and for post-accident monitoring instruments, prior to commissioning (when the components will be depended upon to perform their safety function[s]), in accordance with IEEE-323-1983, Qualifying Class 1E Equipment for Nuclear Power Generating Stations, as tailored for WTP application in revision 8 to the Safety Requirements Document. Environmental qualification for active and passive Safety Significant and Safety Class mechanical equipment, will be in accordance with the methodology defined in the Preliminary Documented Safety Analysis to Support Construction Authorization, 24590-WTP-PSAR-ESH-01-002-01, Rev 6, Table 2.9.

5. Providing Information that is not Lobbying

The standard of performance under the Contract for supporting DOE in external communications on the WTP Project includes communicating with Members of Congress, their staff, or cognizant legislative committees or federal agency officers or employees, and DOE agency officers or employees concerning the WTP Project. Such communications will be in response to a request (written or oral, prior or contemporaneous) or otherwise directed by the Contracting Officer, the WTP Federal Project Director, or the ORP Office Manager. When so requested or directed, the Contractor shall be required to make such communications. When the Contractor receives a request related to WTP from members of Congress, congressional staff, other federal agency officers or employees or DOE Headquarters staff, it shall inform the Contracting Officer (CO) and the Contracting Officers Representative (COR) to the extent related costs are proposed to be charged to the contract. Communications shall comport with the provisions in 31 U.S.C. 1352, FAR 31.205-22, FAR 52.203-12, and contract Clause H.35. The Contractor may request guidance from the CO if it has questions about making requested communications. The reasonable costs of Contractor personnel or retained consultants preparing for and making such communications are allowable as provided by the terms and conditions of the contract.

Ms. L.W. Baker
16-CPM-0165
REISSUED*

-4-

JAN 12 2017

6. Nuclear Safety

Upon execution of the contract modification as proposed by BNI in CCN: 284102 and agreed by DOE via ORP letter 16-NSD-0044, the standard of performance for nuclear safety under the Contract and 10 CFR 830 consists of implementing the provisions of Standard 9 as revised and the Implementation Plan for Standard 9 (24590-WTP-PL-NS-14-0002, Rev 1).

7. Quality Requirements

The standard of performance for quality requirements under the Contract consists of implementing the DOE approved Quality Assurance Manual (QAM) and Contractor procedures that implement the QAM. Testing activities shall be conducted in accordance with applicable contract requirements, such that systems, components, and activities that affect the quality of the data obtained from the testing will meet applicable NQA-1 quality requirements.

Nothing in this letter alters the terms conditions of the subject contract. Further, this guidance is prospective only.

For contract questions, please contact me at (509) 372-0098. For legal questions, please contact Joe Schroeder, Acting Chief Counsel, at (509) 376-3279. For project execution questions, please contact William (Bill) Hamel, Federal Project Director and Assistant Manager for the WTP Project, at (509) 376-6727.



Ronnie L. Dawson
Contracting Officer

RL:MDO

cc:
M.D. O'Hagan, RL-OCC
J.B. Schroeder, RL-OCC
BNI Correspondence

*Letter reissued to remove the Official Use Only markings and replace with "does not contain Official Use Only information" marking on the front page.